

## Message Text

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ACTION AF-10

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SUBJ: CUBAN ECONOMIC TEAM VISITS GHANA

REF: ACCRA 3148

1. WE HAVE NOW HAD OPPORTUNITY TO DISCUSS CUBAN  
VISIT WITH OFFICERS FROM MINISTRIES OF TRADE (DEP.  
CHIEF COMMERCIAL OFFICER JOSUAH KPAKPAH), AGRICULTURE,  
(PRINCIPAL SECRETARY J.T. MENSAH AND DEPUTY DIRECTOR,  
AGRICULTURE GHANASAH) AND ECONOMIC PLANNING (PRINCIPAL  
SECRETARY MARY CHINERY-HESSE), AND FOLLOWING IS  
BASED ON THEIR COMMENTS.

2. DISCUSSIONS WERE "EXPLORATORY" AND GRADUALLY CENTERED  
ON POSSIBLE AREAS OF CUBAN/GHANAIAAN TECHNICAL COOPERA-  
TION AND TRADE IN SUGAR AND TIMBER. OVERALL CONTEXT  
IS THAT OF "TCDC" (TECHNICAL COOPERATION AMONG DEVELOPING  
COUNTRIES). CUBAN TEAM WAS COMPOSED OF GENERALISTS/  
BUREAUCRATS AND ITS MEMBERS COULD NOT GO BEYOND  
IDENTIFYING THESE TWO SPECIFIC AREAS. GOG IS NOW MAKING  
A DETAILED EXAMINATION OF POSSIBILITIES. FOR EXAMPLE,  
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GOG HAS APPOINTED A COMMISSION HEADED BY A MINISTRY OF  
ECONOMIC PLANNING FINANCIAL OFFICER (AGBEDI) TO EXAMINE  
GHANA SUGAR ESTATES LIMITED'S RECORD AND ADVISE GOG ON  
WHAT FORM TECHNICAL COOPERATION FROM CUBA IN SUGAR  
PRODUCTION MIGHT TAKE. OBVIOUS NEXT STEP WILL BE EX-  
CHANGES OF TECHNICAL DELEGATIONS.

3. TCDC. GOG HAS AT PRESENT TWO SUGAR MILLS, AT ASUTSUARE AND KOMENDA, ORIGINALLY BUILT WITH POLISH AND CZECH HELP RESPECTIVE IN THE NKRUMAH PERIOD. AT PRESENT THE MILLS AND ASSOCIATED PLANTATIONS, ALTHOUGH OWNED BY GHANA SUGAR ESTATES LIMITED (GHASEL) ARE MANAGED BY A DUTCH FIRM WHICH HAS REHABILITATED THEM WITH AN IDA LOAN. THEIR ACTUAL PRODUCTION RECORD IS DISMAL, DUE LARGELY TO CANE SUPPLY PROBLEMS. AT LEAST ONE POSSIBILITY WILL BE TO GIVE THE CUBANS SOME SORT OF ENTREE TO TRY THEIR HAND WITH THESE. ANOTHER IS TO START YET ANOTHER PLANATION AND MILL. (TOTAL CAPACITY AT ASUTSUARE AND KOMENDA IS SOME 45,000 TONS OF SUGAR, WHILE DOMESTIC CONSUMPTION EXCEEDS 75,000 TONS). THERE WILL OBVIOUSLY BE DISAGREEMENT WITHIN THE GOG OVER HOW TO TAKE ADVANTAGE OF THE CUBAN EXPERTISE IN SUGAR CULTIVATION AND PRODUCTION. THE DIRECTOR, AGRICULTURE (ACCORDING TO HIS DEPUTY) SUGGESTED TO THE CUBANS THAT THEY CONSIDER HELPING TO ESTABLISH A PLANTATION AND MILL BY "LOOKING AT POSSIBILITIES IN THE NORTH" (GHANA'S SUGAR CANE IS NOW GROWN IN THE SOUTH; THE TWO MILLS ARE IN THE SOUTH). WHAT USE CUBA COULD MAKE OF GHANAIAAN TECHNICAL EXPERTISE IN THE TIMBER INDUSTRY IS UNKNOWN TO US, BUT IN THE PAST TIMBER EXPORTS HAVE BEEN SECOND (UNDERScoreD) TO COCOA AS A FOREIGN EXCHANGE EARNER.

4. TRADE. THERE HAS BEEN VIRTUALLY NO TRADE BETWEEN LIMITED OFFICIAL USE

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GHANA AND CUBA SINCE 1966 WHEN THE NKRUMAH GOVERNMENT WAS OVERTHROWN. CHINERY-HESSE CONFIRMED THAT ANY RESUMPTION OF CUBAN-GHANAIAAN TRADE WOULD NOT BE ON A BARTER BASIS, BUT IN FULLY CONVERTIBLE FOREIGN EXCHANGE. AGAIN SUGAR AND TIMBER WERE THE PRODUCTS DISCUSSED. GHANAIAAN TIMBER EXPORTS HAVE DECLINED SHARPLY OVER THE PAST YEAR OR TWO AS RISING CEDI COSTS, AND THE OVERVALUED EXCHANGE RATE HERE, COMBINED TO PRICE THEM OUT OF WORLD MARKETS.

5. COMMENT: THE DISCUSSIONS HERE APPEAR GENUINELY TO HAVE BEEN LIMITED TO TCDC AND TRADE. THE POSSIBILITIES IN THOSE AREAS ARE CLEARLY LIMITED. ANY CUBAN OFFER TO BUY GHANAIAAN TIMBER WOULD OBVIOUSLY HAVE TO BE POLITICALLY INSPIRED, UNLESS SOME SPECIAL PRICING ARRANGEMENT WERE AGREED UPON, AND WE BELIEVE THAT POLITICAL MOTIVATIONS IN FACT EXPLAIN THE CUBAN INTEREST IN COOPERATING WITH GHANA. THE ECONOMIC ADVANTAGES APPEAR MINIMAL, HOWEVER. SOME MODEST COOPERATION APPEARS CERTAIN TO DEVELOP OVER THE COMING MONTHS BEGINNING WITH VARIOUS EXCHANGES OF TECHNICAL DELEGATIONS. SMITH

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